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The 'Dark Side' of Customer Relationships - Determining the Dark Side

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July 2018

Table of contents

Table of figures

Table of tables

Table of figures

1. Introduction

This paper – which will form the basis of a paper for further research – begins to explore the 'dark side' of customer relationships and its potential impact on organisations. We initially examine its definition, cite some relevant examples, identify the key determinants of customer misbehaviour and its links with societal and moral norms, and then explore ways of how such behaviours can be measured. We conclude by proposing some strategies for organisations to consider in dealing with what some describe as a prevalent issue.

The outcomes of this paper will help provide the necessary background theory to determine further research to be undertaken – to be published at a later date – with regard to consumer ethical behaviour. It will be developed by adapting existing theoretical models and utilising an appropriate methodology to determine the likelihood of engaging in customer misbehaviour.

2. What is the 'Dark Side'?

The 'dark side' of customer relationships essentially refers to situations where it is the customer who is said to be 'misbehaving', not the supplier or provider. The literature describes such customer misbehaviour by using descriptors such as:

- Consumer unethical behaviour
- Consumer misbehaviour
- Dysfunctional behaviour
- Aberrant behaviour
- Deviant behaviour.

These behaviours can be defined as: 'actions by customers who intentionally or unintentionally, overtly or covertly, act in a manner that in some way disrupts otherwise functional service encounters' (Harris & Reynolds, 2004), or 'behavioural acts by customers which violate the generally accepted norms of conduct in consumption situations and disrupt the order expected in such situations' (Fullerton & Punj, 1997).

Muncy and Vitell (1992) define consumer ethics as 'the moral principles and standards that guide behaviour of individuals or groups as they obtain, use and dispose of goods and services.' Consumer ethics have also been described by others as the 'rightness as opposed to the wrongness of certain actions on the part of the buyer or potential buyer in consumer situations' (Dodge et al., 1996).

If behaviour differs from the norm, then it is usually called deviant and the extent to which an individual's behaviour significantly deviates from such norms is considered by society to be undesirable, unacceptable, or dysfunctional, in other words, deviant (Moschis & Cox, 1989).

It is generally accepted that the occurrence of such behaviour is fairly prevalent in society but most investigations into deviant consumer behaviour focus on behaviours that are illegal because the illegality of the behaviour suggests there is social consensus on its unacceptability. According to Barranzuela-Lescano (2018) and others, examples of such behaviour include:

- Deceiving and self-service shoplifting
- Cheating on service guarantees
- Insurance frauds and lying
- Counterfeiting products
- 'Wardrobing' or fraudulent returns (taking back clothes/shoes/bags after use)
- Price tag switching
- Verbal or physical abuse of employees
- Intellectual property theft (e.g. illegal downloading of software, music, movies)
- Consumer revenge.

We will explore some of these examples below.

2.1. Deceiving and Self-Service Shoplifting

Recently, supermarkets have often endured customer misbehaviour. Tesco, as well as other supermarkets, have suffered from what has been described as 'dishonest shoppers' at self-service check-outs who try to slip unpaid goods into their bags or would try to deceive the scanning equipment by passing through expensive avocados as cheap carrots of equivalent weight. Ellson (2018) reported that supermarkets could lose up to £3m per year on 50,000 self-service tills throughout the UK. Consequently, supermarkets have started to introduce CCTV to help combat the problem. Whilst some would argue that this is not a high-level offence, it is still viewed as being morally wrong.

Another common problem is within supermarket car parks – following growing complaints – where those not displaying the appropriate blue badge are misusing those parking spaces and, thus, parking illegally. At Tesco's, parking officials are now able to use an App to record details of vehicles parked in disabled bays that are not displaying blue badges. Parking company Horizon then checks the vehicles against the DVLA database so that it can send out a parking charge notice to owners by post.

2.2. The Desire for Revenge or Holding a Grudge

According to Grégoire et al. (2010), perceived organisational greed is found to be the most significant reasoning that would lead a customer to seek revenge and, given the widespread use of the Internet and increased relevance of social media, consumers using these forums to express their opinions and revenge intentions has also amplified (Obeidat et al., 2017).

Consumer grudge holding is nothing new and was first introduced as a term by Hunt et al. (1988). It represents another multifaceted version of consumer 'exit behaviour'. A customer is demonstrating consumer grudge holding through his or her negative attitude toward an organisation, a planned and persistent avoidance of an offending business, along with possible other actions that could include complaining and harmful word-of-mouth behaviour. In the digital era, dysfunctional consumer behaviour towards dissatisfying outcomes still occurs; it just occurs quicker and on a larger scale than ever seen previously (Aron, 2016).

3. Determinants of Misbehaviour

Wirtz & Kum (2004) examined the potential drivers of unethical behaviour in the context of service guarantees and summarised the literature in the figure below (see Figure 1). Specifically, they explored situational (e.g. potential material gain, repeat purchase intent) and personality variables (self-monitoring and Machiavellianism) and characterised these by linking them with what potentially motivates (increasing the behaviour) and inhibits (reducing the behaviour) such actions rather than solely on a person's moral development. For example:

- Testing the system to see if there are any potential benefits to be gained

- Breaking the trust in a relationship by being dishonest.

Figure 1: Determinants of unethical behaviour

	Situational Variables	Personality Variables
Motivational Variables	Potential material gain (rewards & benefits); Opportunity to cheat; Perceived injustice; External pressure; Dissatisfaction.	Machiavellianism; Introversion and extroversion; Testing the system.
Inhibitory Variables	Sanctions (formal and informal); Codes of conduct; Commitment and loyalty; Trust in a relationship; Time horizon; Risk of being detected; Visibility of victim; Personal contact; Attitudes and norms; High satisfaction; Perceived seriousness of cheating.	Moral Inhibition; Honesty; Shame (or self imposed punishment); Self-monitoring; Interpersonal trust; Religion; Intelligence; Gender; Age; Risk aversion; Locus of control; Self esteem; Social bond.

Source: Wirtz & Kum (2004)

A summary of the customer misbehaviour research landscape has been well documented in a critical evaluation of existing research by Fisk et al. (2010). They explored the types of dysfunctional behaviours and associated contexts and related this to the triggers and causes, as well as building on the work of Wirtz & Kum (2004), to identify the consequences of dysfunctional customer behaviour (see Figure 2 below). According to Fisk et al. (2010), the challenges for current researchers include:

- The definitional perspective, where there is tension between definitions based on social norms and definitions based on harm

- The actor versus target perspective, where there is tension about which point of view to investigate

- The psychological process perspective, where there is tension regarding the appropriateness of a cognitively-driven versus emotionally-driven explanation of the behaviour.

Figure 2: An overview of customer dysfunctional behaviour

Types of Dysfunctional Behaviors
> Discrete categories, e.g., shoplifter, verbal abuser, etc.
> Financially vs non-financially motivated
> Impulse vs planned
> Intentional vs unintentional
> Professional vs opportunistic
> Overt vs covert
> High vs low severity
> High vs low frequency
> Firm- vs others-directed
> etc.

&

Contexts
> Retailing, hospitality, etc.
> Complaints, service recovery, service guarantees
> Type of service encounter (face-to-face, phone, e-mail encounters)
> Type of customer-firm relationship (one-off vs long-term relationships)
> Dysfunctional customer – other customer interactions
> Dysfunctional customer – frontline employee interactions
> etc.

Triggers, Causes & Inhibitors
> Economic
> Non-Economic
> Situational motivators & inhibitors
> Personality motivators & inhibitors
> Cognitive vs emotional motivators and inhibitors

Consequences of Dysfunctional Customer Behavior
> Dysfunctional customers, incl:
  - Attitudes
  - Attributions
  - Post-rationalizations
  - Perceptions
  - Intentions
  - Behaviors
  - etc.
> Other customers
  - as above, plus
  - Quality of service experience
> Service employees
  - Job stress, burn out
  - Physical harm
  - Job dissatisfaction
  - Service orientation
  - Performance
> Firm
  - Financial costs
  - Staff turnover
  - Service quality
  - Productivity
  - Economic implications

Methodological Issues
> Operationalization of dysfunctional behavior
> Measurement/scaling of dysfunctional behaviors
> Method (e.g. self-reporting vs observation)
> Sampling (who and how?)
> Non-response biases
> Social desirability effects

Psychological Processes Underlying Dysfunctional Customer Behavior
> Perceived fairness
> Perceived dissatisfaction
> Cost/benefit analysis
> Neutralization & denial of injury
> Self-deception
> Self-serving biases
> Self-concept maintenance
> External vs internal reward mechanisms
> etc.

Managerial Practices
Employees & Processes:
> Training frontline employees how to handle dysfunctional customers
> Design of processes and policies for dealing with dysfunctional customers

Dysfunctional customers:
> Honor code/priming of social norms
> Differential treatment of customer tiers
> Increase fairness perceptions
> Work on attitudes of customers
> Increase self-awareness
> etc.

Other customers:
> Manage attributions
> Service recovery
> etc.

Source: Fisk et al. (2010)

4. Socialisation and Deviant Consumer Behaviour

Social systems comprise of a network of relationships between individuals (families), groups (communities) and institutions (government, businesses, etc.) that have some form of shared characteristics or features which, in turn, influence socialisation and peoples' behaviours from a young age. These, in turn, could be influenced by antecedent variables, followed by the main effects of socialisation processes and antecedent-process interactions. We highlight some examples below that could influence behaviour in the social context.

- **Maturation** – adolescence is a period of moral growth where the individual begins to develop the ability to engage in moral reasoning in the context of society and understand the importance of laws, rules and moral codes.

- **Social background** – there is evidence to suggest that upper classes are more likely to conform to society's rules than those in the lower classes, although there could be many examples that could suggest the opposite (e.g. tax avoidance schemes for the wealthy).

- **Deprivation** – areas of deprivation are often associated with measures, such as lower educational achievement, poor living standards, low incomes, high levels of unemployment, and broken homes; all of which could influence behaviours.

- **Influence of peers** – the interpersonal effect of others within immediate social networks can elicit group behaviour, which could be perceived to be prevalent and socially acceptable within that group but totally unacceptable in another group.

5. Morals and Knowing the Difference Between Right and Wrong

Moral values (e.g. honesty, respect for others, loyalty, etc.) are the basis on how an individual evaluates between what is right versus what is wrong. They are said to define the character of a person and are applied to justify decisions, intentions and choices made. They could derive from:

- **Society** – some morals are gained from society, but these could differ between cultures (e.g. traits, norms, and beliefs), so what is perceived right in one culture could be wrong in another.

- **Government and laws** – morality is argued to precede law and, thus, serves as an ethical basis for the justification of law, which could change over time (e.g. same-gender marriages).

- **Faith and religion** – not only does this tend to outline what is right and what is wrong, but it can also prescribe behaviours to help individuals navigate tough decisions in their daily lives.

- **Self** – behaviours become instinctive at an early age and growing up helps distinguish between right and wrong throughout life and determines what is good citizenship.

Each of these examples assumes a logical approach, with defined boundaries, and does not consider a non-rational approach which crosses or has fuzzy boundaries. For example, a teenager could choose to resist control or authority and rebel.

6. The Organisation's Dilemma

The dilemma that organisations are currently faced with is what should businesses do with profitable but unethical consumers? Yang et al. (2017) posed such an example:

> "…Company X prohibits its customers from registering multiple accounts on the site. This prohibition is clearly stated in its terms of agreement with customers. However, a small but significant portion of the customers (around 6%) violates this policy anyway and signs up for multiple accounts on the company's site. By doing this, the customers get more free cards each day, and have more cards to use and trade with others.

> Company X's research shows that these customers are also its most engaged and profitable customers. They generate more than a quarter of the firm's revenue and their activity leads to positive effects for the firm and contributes to increased site activity by other customers who have a single account" (Yang et al., 2017).

What should one do? Based on responses from 136 retail managers, Yang et al. (2017) summarised the outcomes in the following diagram (see Figure 3 below). In only one in five occasions would the organisation 'fire' the customer and none would prosecute the customer. In the remaining cases, 80% would either do nothing, encourage the customer or try to understand the underlying reasons.

Figure 3: Dealing with unethical customers

Source: Yang et al., 2017

7. Can the Dark Side be Measured?

Muncy and Vitell (1992) developed a consumer ethics scale (with four dimensions), which they subsequently modified in 2005 to include five dimensions (Vitell and Muncy, 2005). Their consumer ethics scale (CES) has been widely used in a range of countries for research of this nature. The scale, shown in Appendix A, has 26 items and could be modified further to reflect modern times or different cultural/gender settings. For example, 'Taping a movie off the television' could be modified to 'Downloading a film from the Internet instead of buying it'.

The five-factor structure of consumers' ethical beliefs were described by Vitell and Muncy (2005) in the following ways:

Dimension 1 - Actively benefitting from an illegal activity

The first dimension of consumer ethics scale signifies the behaviour in which the consumer actively takes advantage of a situation at the expense of the seller:

- Changing price tags on merchandise in a retail store
- Drinking a can of soda in a supermarket without paying for it
- Reporting a lost item as 'stolen' to an insurance company in order to collect the money
- Giving misleading price information to a clerk for an un-priced item
- Returning damaged merchandise when the damage is your own fault.

Dimension 2 - Passively benefitting at the expense of others

The second dimension consists of a situation where consumers passively benefit themselves due to the seller's mistake:

- Getting too much change and not saying anything
- Lying about a child's age in order to get a lower price
- Not saying anything when the waitress miscalculates the bill in your favour.

Dimension 3 - Actively benefitting from deceptive but legal practices

The third dimension represents actions in which consumers are actively involved in unethical but not necessarily illegal practices:

- Returning merchandise to a store by claiming that it was a gift when it was not
- Stretching the truth on an income tax return
- Using an expired coupon for merchandise
- Using a coupon for merchandise that you did not buy
- Not telling the truth when negotiating the price of a new automobile.

Dimension 4 - No harm / no foul

The fourth dimension refers to the behaviour that is not seen as being harmful to others:

- Using computer software or games that you did not buy
- Recording an album instead of buying it
- Spending over two hours trying on different dresses and not purchasing any
- Taping a movie off the television
- Returning merchandise after trying it and not liking it.

Dimension 5 - Recycling / doing good

The fifth, and most recent dimension, represents consumers' desire to recycle products and 'do the right thing':

- Buying products labelled as 'environmentally friendly' even if they don't work as well as competing products
- Purchasing something made of recycled materials even though it is more expensive
- Buying only from companies that have a strong record of protecting the environment
- Recycling materials such as cans, bottles, newspapers, etc.
- Returning to the store and paying for something that the cashier mistakenly did not charge you for
- Correcting a bill that has been miscalculated in your favour
- Giving a larger than expected tip to a waiter or waitress
- Not purchasing products from companies that you believe do not treat their employees fairly.

7.1.   Measuring from Within

According to Stone (2016), 'bad company behaviour is often the source of bad customer behaviour' and that customer behaviour is just a reflection of employee behaviour. However, it could be a two-way process; if customers complain in an angry tone this could lead to contact staff being less willing to provide a better service. So, if employees 'go that extra mile', would customers reciprocate with similar behaviour?

Yi and Gong (2008) undertook a survey of matched responses from 123 employees and 590 customers, which revealed that employee citizenship behaviour, employee dysfunctional behaviour, customer satisfaction, and customer commitment are all important predictors of customer citizenship behaviour and customer dysfunctional behaviour.

Not many tools exist in the marketplace but the Hogan Development Survey (HDS) is one tool that can assist in describing or measuring the dark side of personality or 'derailers' - but usually in a work setting and in response to stress or pressure situations. The tool is comprised of eleven scales and responders enter their scores on each scale. The following table (see Table 1) shows the characteristics of 'low' and 'high' scorers.

Table 1: The Hogan Development Survey

Scale Name	Low Scorers	High Scorers
Excitable	Seem calm to the point of appearing to lack passion of urgency	Display dramatic emotional peaks and valleys regarding people and projects
Skeptical	Seem trusting to the point of naivete	Are negative or cynical and expect to be betrayed
Cautious	Are willing to take risks without adequate risk assessment	Are reluctant to take risks regardless of risk assessment
Reserved	Are too concerned about the feelings of others	Are indifferent to the feelings of others
Leisurely	Appear to lack an agenda or direction	Are passive-aggressive and agenda driven
Bold	Appear to lack self-confidence and resolve	Seem assertive, self-promoting and overly self-confident
Mischievous	Are conservative, compliant and likely to be unadventurous	Are impulsive, limit-testing and, at times, devious
Colourful	Are modest, unassuming, quiet, and self-restrained	Are attention seeking, dramatic and socially prominent
Imaginative	Are practical, rely on routine, and often lack new ideas	May seem impractical, unpredictable, and offer unusual ideas
Diligent	Have poor attention to detail and tend to over delegate	Are picky, overly conscientious, and tend to micromanage
Dutiful	Are overly independent and seem to resent authority	Are excessively eager to please superiors

Source: Hogan Assessments

In terms of output, if a customer facing a member of staff was found to be high risk on the scales relating to 'excitable' (volatile, easily disappointed, no direction) and 'skeptical' (cynical, mistrusting, grudges), then this could have negative consequences on consumer behaviour (see examples in Figure 4).

Figure 4: Consequences on consumer behaviour
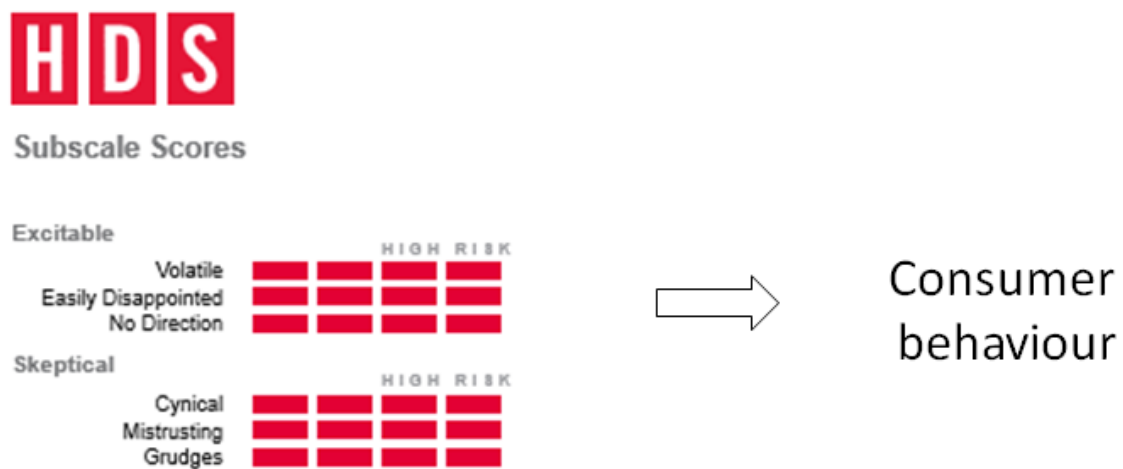
Source: Hogan Assessments

8. Conclusion and Identifying Potential Strategies

The unethical or misbehaving consumer is a significant issue facing organisations and is highly unlikely to be a thing of the past as such behaviours continue to persist; even if it is generally accepted to be morally wrong or the threats of being caught and punished or abusing company policy go unheard. The problem remains that some people do not see their actions as being morally wrong, and if they see others doing it and getting away with it – perceived prevalence – then they could replicate that behaviour.

For organisations to detect and swiftly act on deviant behaviour requires a large amount of resourcing, which most organisations are not likely to have, and maybe the consumer plays on this to an extent, especially when 'lying', which is often difficult to expose. Furthermore, it can cost significant amounts of money to have CCTV cameras, security tags, lie detection and other prevention systems in place to combat such behaviour. Dootson et al. (2017) found that if people do not think they are going to be caught, or the risks are perceived to be low, then the punishment becomes irrelevant.

So, what can organisations do to eliminate or minimise the 'dark side'? We highlight some potential strategies below:

- Provide high profile examples of extreme cases of misbehaviour and how they have been dealt with. For example, the celebrity chef Anthony Worrall Thompson was caught shoplifting at a supermarket and this received a lot of media attention. However, this needs to be sensitively handled as it had a greater impact on the individual rather than society as a whole.

- Provide superior customer service if something goes wrong and highlight the risks of inferior replicas or potential health hazards. This is particularly relevant to those who have knowingly bought counterfeit goods because they are cheaper or help boost self-esteem within their social group. However, this will be difficult to monitor for those on low incomes.

- Explore tactics such as 'social proofing' (assuming the actions of others) to reflect correct behaviour or 'humanising' to encourage environmentally friendly behaviour; but this has to have a positive effect with respect to moral triggers. For example, the issue of plastic pollution in our oceans has triggered an ongoing campaign to recycle plastics effectively, thus building on an opportunity to change peoples' behaviour.

- In time, technology could provide the solution in some cases, for example, more sophisticated machines using artificial intelligence could learn and be able to detect the ethical and the unethical consumer based on their behaviours; this would eliminate the need for CCTV and bag-checks etc. and, hence, reduce the amount of 'self-service' thefts.

- Removing the opportunity for deviance will reduce the amount of resources required to detect that people are 'doing the right thing'. The Amazon Go store is a great example of this, where their 'Just Walk Out Technology' detects when products are taken from or returned to the shelves and tracks them in a virtual cart, which is then charged to an Amazon account.

- Bring attention to people about their own moral traits. For example, past research has effectively employed this approach to help combat insurance fraud - asking customers to

sign a declaration of honesty at the beginning of the form saw a decrease in the number of fraudulent insurance claims (Shu et al., 2012).

- Being able to effectively measure the extent of customer misbehaviour will help highlight how prevalent the problem is to the organisation. If prevalence is perceived to be low (i.e. a small percentage of turnover), then maybe it could be absorbed, but if the percentage is relatively high, then the organisation would need to invest a significant amount of time, effort and resources in helping to reduce it.

- Associated with this is the rise in the use of social media, where customers could air their grievances or grudges against a company rather than engaging in misbehaviour. This could have a significant impact in terms of negative exposure in the short-term and organisations need to keep on top of this to deal with issues both promptly and effectively.

- Try to instill that good employee behaviour, certainly for contact staff, promotes good customer behaviour. By understanding how the personality works in pressure situations could help identify potential 'derailers' internally. Staff who elicit positive triggers or understand the impacts of 'going the extra mile' will improve customer satisfaction and commitment.

- Develop strong customer relationships by taking time to get to know and understand the customer and engaging with them throughout the customer journey. This could provoke positive triggers with those who may have 'misbehaved' in the past and building stronger relationships could engender greater trust on both sides and ethical consumer behaviour.

There is, however, no one-size fits all and it could take time, possibly generations, to eliminate certain behaviours or social norms within society – the analogy of the 'forbidden fruit' is perhaps still relevant, even today. Organisations need to take practical steps as far as they can by adopting appropriate and sensitive strategies to help reduce or eliminate customer misbehaviour, by promoting positive triggers and tackling the dilemmas they face with customers who may add significant value - the 'bright side' - but occasionally deviate along the way - the 'dark side'.

9. Further Research

As there has already been a significant amount of research that has identified the determinants of customer misbehaviour - and we have highlighted some of it here - we will explore further the degree of prevalence of unethical behaviour by initially undertaking a series of focus groups with consumers to identify key issues, and then by undertaking a more comprehensive survey that will incorporate an adapted version of the Consumer Ethics Scale (see Appendix A).

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Appendix A:

The Muncy & Vitell Consumer Ethics Scale (CES)

Instructions:

Please read each statement carefully and decide how you feel about it. There is no right or wrong answer. Using the following five-point scale, please circle how strongly you believe the statement is wrong.

Please circle only one number for each statement, where 1=Strongly believe it is wrong, 2=Believe it is wrong, 3=Neutral, 4=Believe it is not wrong, and 5=Strongly believe it is not wrong).

Item	Statement	Score
1	Changing price tags on a product in a retail store	1 2 3 4 5
2	Drinking a can of coke in a supermarket without paying for it	1 2 3 4 5
3	Reporting a lost item as 'stolen' to an insurance company in order to collect the money	1 2 3 4 5
4	Giving misleading price information to a cashier for an un-priced item	1 2 3 4 5
5	Using a mobile prepaid access code that does not belong to you	1 2 3 4 5
6	Getting too much change and not saying anything	1 2 3 4 5
7	Moving into a house, finding that the [ASTRO] TV channel is still hooked up, and using it rather than signing up and paying for it	1 2 3 4 5
8	Lying about a child's age in order to get a lower price	1 2 3 4 5
9	Saying nothing when a waitress miscalculates a bill in your favour	1 2 3 4 5
10	Stretching the truth on an income tax return	1 2 3 4 5
11	Using an expired coupon to purchase a product	1 2 3 4 5
12	Not telling the truth when negotiating the price of a new car	1 2 3 4 5
13	Taping a movie off the television	1 2 3 4 5
14	Copying computer software or games that you did not buy	1 2 3 4 5

15	'Burning' a CD instead of buying it.	1 2 3 4 5
16	Returning a product after trying it and not liking it	1 2 3 4 5
17	Downloading music from the internet instead of buying it	1 2 3 4 5
18	Buying counterfeit goods instead of buying the original manufacturers' brands	1 2 3 4 5
19	Buying products labelled as 'environmentally friendly' even if they don't work as well as competing products	1 2 3 4 5
20	Purchasing something made of recycled materials even though it is more expensive	1 2 3 4 5
21	Buying only from companies that have a strong record of protecting the environment	1 2 3 4 5
22	Recycling materials such as cans, bottles, newspapers, etc.	1 2 3 4 5
23	Returning to the store and paying for something that the cashier mistakenly did not charge you for	1 2 3 4 5
24	Correcting a bill that has been miscalculated in your favour	1 2 3 4 5
25	Giving a larger than expected tip to a waiter or waitress	1 2 3 4 5
26	Not purchasing products from companies that you believe don't treat their employees fairly	1 2 3 4 5

The Henley Centre for Customer Management

The primary objective of the Henley Centre for Customer Management is to promote customer focus and service excellence best practice through observing practice in leading companies and synthesising this into useful knowledge that helps members to improve their own customer management and customer service plans and implementations.

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Each year, the Centre aims to attract a membership of between 10 and 15 organisations, each a leader in their sector.

Members in 2017-18:

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CityWest Homes

Global Payments

GM Financial

Heathrow

Homeserve

Lloyds Banking Group
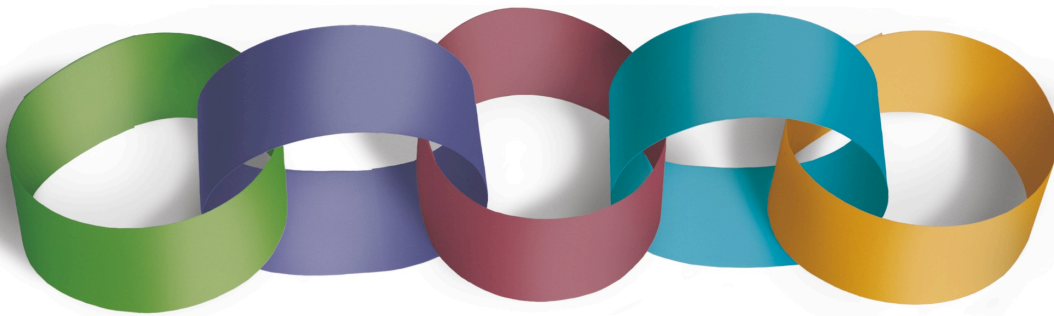
Mercedes Benz Financial Services

NS&I

Renault UK

RSA

Thames Water

Traffic Tribunal

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The Henley Centre for Customer Management is supported by members representing a diverse range of organisations.

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